

ARIZONA STATE BOARD OF ACCOUNTANCY

OPEN SESSION MINUTES

June 12, 2006

Members of the Arizona State Board of Accountancy held a meeting at 8:19 a.m. on Monday, June 12, 2006 at the Accountancy Board Office in Suite 165, 100 N. 15th Avenue, Phoenix, Arizona. An Executive Session was held, from 8:50 a.m. to 9:46 a.m., 9:48 a.m. to 9:55 a.m. and from 12:12 p.m. to 1:07 p.m.

BOARD MEMBERS:

Donald R. Bays, CPA	President
Earl R. Shivers, CPA	Treasurer
☎ Marianne E. DeVries, CPA	Secretary
^ Frank J. Brady, CPA	Member
☎+Samuel L. Fogleman, CPA	Member
James E. May.	Member
Patrick J. Ramirez	Member

☎ Appeared telephonically

☎+ Appeared telephonically from 8:19 a.m. to 9:46 a.m. and from 10:10 a.m. to 12:30 p.m.

^ Absent

OTHERS PRESENT:

Valerie M. Elliott.....	Executive Director
Jim Dubé	Deputy Director
Seth T. Hargraves, Esq.	Assistant Attorney General
* H. Leslie Hall, Esq	Assistant Attorney General
Ryan P. Edmonson.....	Programs & Projects Specialist II
Yolanda M. Barajas	Administrative Assistant III
Leslie R. Reed	Administrative Assistant III

* Present from 8:19 a.m. to 9:20 a.m.

GUESTS PARTICIPATING

Christine Cassetta, Esq.	Assistant Attorney General, Solicitor General Office
Christopher Munns, Esq	Assistant Attorney General, Solicitor General Office
Cindie Hubiak, CPA	ASCPA, President and CEO
Gary J. Wood, CPA	Peer Review Oversight Advisory Committee Chairperson
☎ Brian Kay	Applicant

☎ Appeared telephonically from 10:10 a.m. to 10:36 a.m.

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The meeting was called to order at 8:19 a.m. by Donald R. Bays, President. The following order of business was then considered:

OPEN SESSION

CALL TO THE PUBLIC

Cindie Hubiak, CPA, Arizona Society Certified Public Accountants (ASCPA), addressed the Board. Ms. Hubiak informed the Board that ASCPA will be moving to a new location within 12 months. Ms. Hubiak also mentioned that ASCPA is in the process of nominating Debbi Fitzgerald, CPA to replace Frank J. Brady, CPA.

MINUTES

May 8, 2006 Board Meeting

A motion was made by James E. May, seconded by Earl R. Shivers and passed to approve the Open Session Minutes from the May 8, 2006 Board meeting.

A motion was made by James E. May, seconded by Earl R. Shivers and passed to approve the Executive Session Minutes from the May 8, 2006 Board meeting.

DECLARATION OF CONFLICTS OF INTEREST

Donald R. Bays, CPA declared a conflict on File No. 2006.084

Samuel L. Fogleman declared a conflict on File No. 2006.095

EXECUTIVE DIRECTOR'S REPORT

Valerie M. Elliott, Executive Director, gave an update to the Board on the budget, performance measurements and agency operations.

PRESIDENT'S REPORT

Donald R. Bays, Board President gave an update to the Board regarding the NASBA Western Regional meeting. Mr. Bays discussed the year in review and Board members' participation and expectations regarding monthly Board meetings and other Board approved meetings. Mr. Bays stated he has enjoyed working with the finest Board members, staff, committee members and assistant attorneys general.

A motion was made by James E. May, seconded by Marianne E. DeVries and passed to go into Executive Session at 8:50 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 9:46 a.m.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Informal Settlement Conference – A.R.S. § 41-1092.06

File No. 2006.095; Kay, Brian T.

Christine Cassetta, Assistant Attorney General, from the Solicitor General's Office was present to provide legal advice to the Board. Brian T. Kay appeared telephonically.

A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to go into Executive Session at 9:48 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 9:55 a.m.

INTERAGENCY SERVICE AGREEMENTS

A motion was made by Marianne E. DeVries, and seconded by Earl R. Shivers and passed to approve the Interagency Service Agreements for fiscal year 2007.

COMMITTEE RECOMMENDATIONS – COMPLAINT/INITIAL ANALYSIS FILES

File No. 2006.010

A motion was made by Marianne E. DeVries, seconded by Earl R. Shivers and passed to accept the Tax Practice Committee's recommendation to close the complaint file.

File No. 2006.024

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

File No. 2006.063

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

File No. 2006.065

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to accept the Accounting and Auditing Standards Committee's recommendation to close the complaint file.

File No. 2006.079

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

RESPONSE TO OFFERED DECISION AND ORDER (BY CONSENT)

File No. 2006.015

A motion was made by Marianne E. DeVries, seconded by Earl R. Shivers and passed to accept the response and close the file with the stipulation that if the registrant applies for reinstatement then the Board will consider reopening the investigation file.

NOTICES OF UNLAWFUL USE OF THE CPA DESIGNATION

File No. 2006.061

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to accept the response and close the file.

File No. 2006.078

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to accept the response and close the file.

File No. 2006.084

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to accept the response and close the file.

Donald R. Bays declared a conflict and did not vote.

File No. 2006.094

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to send a second letter clarifying the appropriate use of the CPA designation in Arizona.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Response to Offered Decision and Order (By Consent)

File No. 2006.033, Cave, Mason

A motion was made by Donald R. Bays, seconded by James E. May and passed to file a Complaint and Notice of Hearing if the respondent does not respond to the offered Decision and Order (By Consent) by 5:00 p.m. on June 12, 2006.

Informal Settlement Conference – A.R.S. § 41-1092.06

File No. 2006.095; Kay, Brian T.

Christine Cassetta, Assistant Attorney General, from the Solicitor General's Office was present to provide legal advice to the Board. Brian T. Kay appeared telephonically for an informal settlement conference. After introductions, Donald R. Bays, President described how the matter would be conducted and the time limits for the respondent and state's attorney. Mr. Kay explained that he never intended to deceive the Board on his criminal conviction or his failure to provide an accurate employment history.

Seth T. Hargraves, Assistant Attorney General presented the state's position and requested that the Board deny the application for certification.

After a brief discussion, a motion was made by Earl R. Shivers, seconded by Marianne E. DeVries and passed to deny the application for certification and to proceed with the Complaint and Notice of Hearing.

Samuel L. Fogleman declared a conflict and did not vote.

After the motion, Christine Cassetta introduced Christopher Munns, Assistant Attorney General, from the Solicitor General's Office to the Board and stated that he will replace

Victoria Mangipane, and will be available for future meetings that Ms. Cassetta cannot attend.

Status of firm compliance with A.A.C. R4-1-454 Peer Review requirements; Request for Extension of time to meet Peer Review Requirement, and Recommendation of Peer Review Oversight Advisory Committee

John R. Benjamin, PC

Randall C. Joselit, CPA, PC

Gary J. Wood, CPA was present and provided an update regarding extensions for peer review reports due June 30, 2006.

After a brief a discussion, a motion was made by Donald R. Bays, seconded by Earl R. Shivers and passed to accept the recommendation from the Peer Review Oversight Advisory Committee to grant an extension until September 30, 2006, for firms who have engagement letters, schedule of peer review dates and a valid reason for the extension.

Termination of Decision and Order (By Consent)

Richard A. Miller 5975-E

Valerie M. Elliott, Executive Director gave an update to the Board.

A motion was made by Marianne E. DeVries, seconded by James E. May and passed to terminate the Consent Order and close the file.

Request for Pre-Approval of CPE and Waiver of Classroom Setting

File No. 2004.061 & 2005.027; Tassainer, Garin

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve of the proposed CPE course "the Best Federal Tax update course by Surgent McCoy".

Review Decision from Arizona Court of Appeals

File No. 2004.021; Bailey, Donald

Seth T. Hargraves, Assistant Attorney General gave an update on the status of the file.

Application for Certification by Reciprocity, Deferral by Certification Committee A.R.S. § 32-724:

J. Clay Coleman

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve the application for certification by reciprocity.

Donald R. Bays declared a conflict and did not vote.

Application for Certification by Examination, Deferral/Denial by Certification Committee - A.R.S. § 32-721:

Aimee Lochowitz

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve her application for certification by examination.

Antonia McVay

A motion was made by Earl R. Shivers, seconded by James E. May and passed to deny the registrant's request for application for certification by examination because she does not meet the education requirements and to appoint Valerie M. Elliott, Executive Director, or Jim Dubé, Deputy Director as the designated representative of the Board for an informal settlement conference, if requested, with limited authority to settle.

Issues from and regarding the American Institute of Certified Public Accountants

v. Request for feedback on Proposed Changes to Peer Review reporting program

Valerie M. Elliott, Executive Director and the Board discussed having Ms. Elliott email Susan S. Coffey of the AICPA informing her that the Board supports the proposed changes.

iv. New Board of Examiners Committee Charge

The Board reviewed the candidates and offered no nomination.

i. News Release on Mobility

ii. Board of Examiners Letter

iii. Board of Examiners Structure Task Force Report

Valerie M. Elliott, Executive Director gave a brief overview on these AICPA issues.

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

iii. CBT Exam Contract

Valerie M. Elliott, Executive Director discussed the CBT contract with the Board.

iv. Questions regarding complaints from and interaction with U.S. Securities and Exchange Commission

The Board discussed directing Valerie M. Elliott, Executive Director to complete the questions on behalf of the Board and send it to NASBA.

Request for Suspension of Certificate due to CPE Compliance Issues- A.R.S. § 32-741(D):

Jennifer Boyer 12200-E

A motion was made by Donald R. Bays, seconded by James E. May and passed to offer a Decision & Order (By Consent) for suspension of Ms. Boyer's certificate pending completion of required CPE and an administrative civil penalty of \$500.00.

Review Status of Compliance with CPE Requirements

Leslie White 11178-E

A motion was made by Donald R. Bays, seconded by James E. May and passed to offer a Decision & Order (By Consent) for suspension of Ms. White's certificate pending completion of one hour of continuing professional education in the area of ethics and an administrative civil penalty of \$500.00 and, if not accepted within 30 days, to file a Complaint and Notice of Hearing.

Request for Suspension of Certificate due to CPE Compliance Issues- A.R.S. § 32-741(D):

Jennifer Boyer 12200-E

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed that is the Decision & Order (By Consent) for suspension of Ms. Boyer's certificate, from the previous motion, is not accepted within 30 days, to file a Complaint and Notice of Hearing.

Request for a CPE Waiver and Fee Waiver- A.R.S. § 32-730(C) & (D)

Thomas M. Cyran 5229-E

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to grant the CPE and Fee Waiver.

Continuing Professional Education Committee Recommendation for new Committee Member

Eric Seth Young 6865-E

A motion was made by James E. May, seconded by Earl R. Shivers and passed to accept the Continuing Professional Education Committee's recommendation to approve the appointment of Eric Seth Young to a five year term on the Continuing Professional Education Committee.

Consideration of Reinstatement of Expired Certificates

Dianne Dibos (Leshinski) 11162-E

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to grant reinstatement.

Peer Review Oversight Advisory Committee Recommendation for new Committee Member

Douglas L. Ball 2333-R

A motion was made by James E. May, seconded by Earl R. Shivers and passed to accept the Peer Review Oversight Advisory Committee's recommendation to approve the appointment of Douglas L. Ball to a five year term on the Peer Review Oversight Advisory Committee.

Board Elections

A motion was made by Donald R. Bays, seconded by James E. May and passed to elect Earl R. Shivers, Board President; Marianne E. DeVries, Treasurer; and Patrick J. Ramirez; Secretary.

A motion was made by Donald R. Bays, seconded by James E. May and passed to approve of the resolution and signature authorization for fiscal year 2007.

CONSENT AGENDA

(The Board may pull any of the following items off the consent agenda and take individual action) Board discussion and legal action on the following items:

Due to a conflict, Ms. Devries requested One Point Accounting Sole Practitioner: Daniel R. Dunn 12295-E be pulled from the consent agenda and voted on separately.

A motion was made by James E. May, and seconded by Patrick J. Ramirez and passed to accept the following consent agenda:

CONSENT AGENDA

- a. Recommended for Registration of Professional Corporation for the following Applicants (Meets the requirements of A.R.S. § 32-734):

Alan Melaragno CPA PC
Shareholder: Alan R. Melaragno 11268-R

Brett V. Backlund CPA PC
Shareholder: Brett Victor Backlund 12576-E

Breecher & Company PC
Shareholder: Matthew E Breecher 13723-E

- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants - (Meets the requirements of A.R.S. § 32-735):

Jeffrey Smalle CPA PLLC
Shareholder: Jeffrey Smalle 9929-R

Tasha Rembold Suhr CPA LLC
Shareholder: Tasha Rembold Suhr 11046-E

- d. Recommended for Firm Name Change:

Cronstrom Osuch & Company PC
Cronstrom Trbovich & Osuch PC 504-C
Shareholder: Sandra Cronstrom 4780-E

Glaim and Rupert, PC
Glaim and Matthies, PC 1037-C
Shareholders: Roxann Glaim 6244-E
Janet Matthies Rupert 5753-E

- e. Requests for Firm Cancellation - Do not wish to renew:

The Professional Group of Anthem 2571-L Oracle Capital Advisors Ltd 2572-C
PLLC

The Business Edge PC 2583-C Boma & Perschke PLC 1047-L

GK Consulting LLC 2441-L Culbert Financial PC 2448-C

- f. Recommended for Cancellation of Certificate per registrant's request not to renew:

Joe Dan Ingram 1524-R Debra K. Healy 5869-E

Ivan J. Ketterman 13662-R Hans D. Branch 13060-E

Richard L. Crouch 2869-E Jason Melvin 10747-R

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g. Recommended for Reissuance of Certificate because of Name Change:

Karin Wahtola (Wilson)	11704-E	Mona W. Nettles (Reese)	8586-E
Irene Romega-Thompson (Fischer)	13467-E	Nancy L. Zirinsky (Johnson)	8571-E
Sara C. Schmidt (Ghali)	9623-E	Amy Kay Hooks (Kobrick)	3714-E
Janet Audrey Matthies (Matthies Rupert)	5753-E		

h. Recommended for Reactivation of Certificate from Inactive Status - A.R.S. §32-730(E):

Keith Sam Tang	3874-E
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i. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:

Pamela A. Brogie	Dawn M. Johnson
Melissa A. Higdon	Andrea Beth Levy
Allison M. Keuth	Robert Royse
Jeffrey Zane Singleton	William Wheeler

j. Recommendation of the Certification Committee for approval of Certification by Reciprocity - A.R.S. §32-724:

Robert Byrne Farrell – New York	Brian S. Locke – New York
Jeffrey James Stanek – California	Jana Roe – California
Lance Michael Turcato – California	

k. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):

Anne R. Bernath – Indiana	Frances A. Burazin – Wisconsin
John A. Czarnecki – Illinois	Mark E. Czys – Illinois
John L. Miller – Nebraska	Maria C. Reagin – Washington
Adrian B. Reeder – Utah	Kerre Speiser – Idaho
Ralph Ujano, Jr. – Washington	Suzanne M. Wilson - Ohio

l. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:

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Zahra Aminbitaraf	Brenda Diana Baca	Joel Christian Reeder
Michael Dean Barnum	Susan Ann Brown	Christina Arlene Smith
Jeffrey Thomas Chirico	Matthew David Collins	Meghon Lynae Smith
Lauren Beth Dickey	Michael Harrison Ference	Sarah C. Teselle
Eric Joshua Freed	Kathryn B. Gauvin	Zaynah Sahar Vohra
Deanna Lynn Hapken	Michelle Lee Horrocks	Jialin Weng
John Michael Hundman	Jessica Christie Jones	Ira Brian Rotenberg
Wayne Nash Layton	Stephen Bradley Ledbetter	Devon Heath Smith
Ryan Dutson Lesueur	Lindsey Makar	Yuki Takada
Brian Roy Morrow	Jessica Lynn Perkins	Erik R. Thomas
Huong Tra Thi Pham	Christopher J. Raab	Jacqueline Rachelle Wallace
		Erica Marie Wessel

- m. Recommendation of the Peer Review Advisory Committee for approval on the following firms in compliance with A.A.C. R4-1-454:

Hinkle, Gerald L., CPA 4137-S	Clements, William M., CPA 4653-S
Karpinski & Jacobsen PLC 923-L	Cosse & Wallace CPA PC 811-C
Mueller K W PC 917-C	Deloitte & Touche LLP 2111-B
Olson & Hatchter PC 268-C	Devolites, Eve CPA 5090-S
Keegan Linscott & Kenon PC 929-C	Donaldson, Ron CPA PC 1070-C
Liem, Henry A. PC 1072-C	Helfinstine & Associates, CPAs 4130-S
Ludwig Schacht & Klewer PLLC 1106-L	Hill D'Amore Ltd 459-C
Saunders, James H. CPA 4325-S	Hummel, Charles L CPA PC 681-C
Sauvageau, Connie A, CPA 4326-S	Johnson & Bull CPAs PLLC 2716-B
Simek & Company PLC 456-C	Johnson, Christine Suzanne 5405-S
Varga, James R. CPA PC 370-C	Spiers, Patricia J. CPA PC 2389-C
Vincent, Henry P CPA 4394-S	Wood, Darlene E. CPA 4679-S

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CONSENT AGENDA

A motion was made by James E. May, and seconded by Earl R. Shivers and passed to approve the following consent agenda item:

- c. Recommended for Registration of Sole Practitioner for the following Applicants - (Meets the requirements of A.R.S. § 32-731).

One Point Accounting Sole Practitioner: Daniel R. Dunn 12295-E

Marianne E. DeVries declared a conflict and did not vote.

EXECUTIVE SESSION

A motion was made by Donald R. Bays, seconded by Earl R. Shivers and passed to go into Executive Session at 12:12 p.m. to discuss personnel issues pursuant to A.R.S. § 38-431.03(A)(1).

After consideration in Executive Session, the Board reconvened in Open Session at 1:07 p.m.

PERSONNEL ISSUE

A motion was made by James E. May, seconded by Earl R. Shivers and passed to approve a salary increase, as discussed in Executive Session, for Valerie M. Elliott, Executive Director.

SUMMARY OF CURRENT EVENTS

Donald R. Bays, President, thanked the Board and staff for a job well done.

DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA

The Board discussed establishing a subcommittee for the Executive Director's Performance Policy for the July Board meeting.

ADJOURNMENT

There being no further business, a motion was made by James E. May, seconded by Patrick J. Ramirez and passed to adjourn at 1:10 p.m.

Donald R. Bays, CPA, President

Earl R. Shivers, CPA, Treasurer

Marianne E. DeVries, CPA, Secretary

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Samuel L. Fogleman, CPA Member

James E. May, Board Member

Patrick J. Ramirez, Board Member